



JOHNSON
DEVELOPMENT
ASSOCIATES, INC.

Part of TheJohnsonGroup

Presenters:

Mark Wesson – President, Natural Resources Division

Jamey Goldin – Partner, Nelson Mullins Riley & Scarborough

TheJohnsonGroup



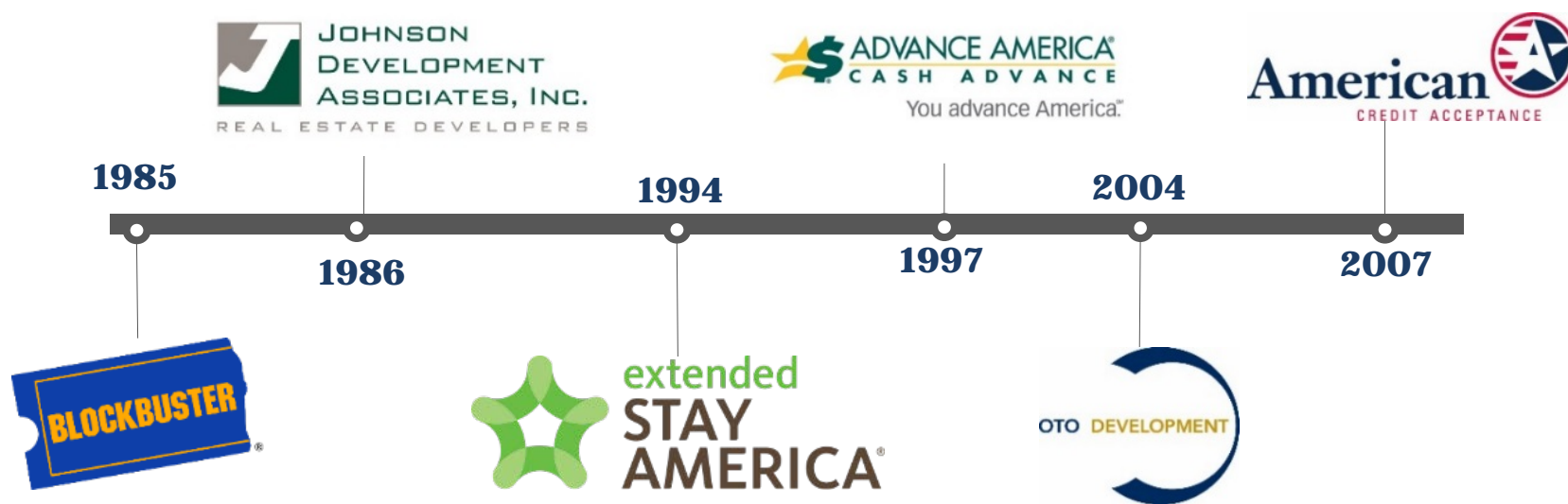
***Total
Headcount***

3,450+

***South
Carolina
Employment***

950+

THE JOHNSON GROUP HISTORY



JDA FOOTPRINT BY THE NUMBERS



 ~8,200,000 SF
IN DEVELOPMENT PIPELINE



INDUSTRIAL

22.1MM SF developed in history
3.9MM SF in pipeline



MULTIFAMILY

6,707 units developed in history
1,321 in pipeline



SELF-STORAGE

6.25MM SF developed/owned in history
3.5MM in pipeline

INDUSTRIAL – *Lakeland, FL*



SELF-STORAGE – *Bronx, NY*



MULTI-FAMILY – *Seattle, WA*



NATURAL RESOURCES – *South Carolina*



JDA SOLAR PIPELINE



323 MWac

21 Projects



89 MWac

2 Projects



325 MWac

6 Projects

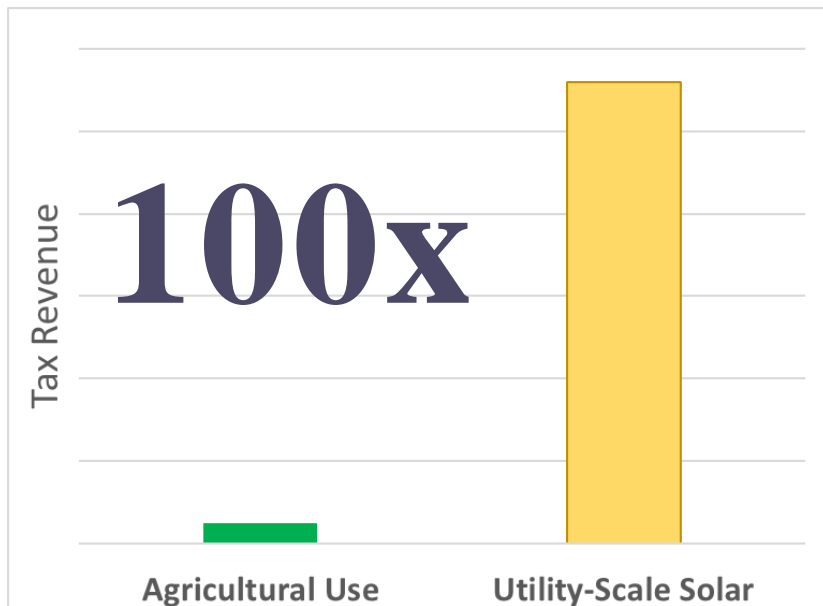
Pipeline represents more than **\$950m** of project investment in South Carolina

JDA SOLAR PIPELINE

Counties in Pipeline:

- Abbeville
- Aiken
- Charleston
- Dorchester
- Greenwood
- McCormick
- Newberry
- Saluda
- Spartanburg

Increase in Tax Revenue...



With No Burden on Public Infrastructure.



Schools



Traffic



Sewer



Fire/Police

H3659:

*Energy Freedom Act
(Act 62)*

H3659 BILL SPONSORS

50

*Members of the SC House
co-sponsored the Energy
Freedom Act*

Anderson	Gagnon	Norrell
Ballentine	Garvin	Ott
Bennett	Gilliard	Pendarvis
Bernstein	Hardee	Rose
Blackwell	Henderson-Myers	• Sandifer
Bradley	Herbkersman	Sottile
Calhoon	• Huggins	Spires
Caskey	Hyde	Stavrinakis
Clary	Jefferson	Tallon
Cobb-Hunter	Loftis	Thigpen
Cogswell	Mace	Toole
B. Cox	• Mack	West
Daning	• McCoy	R. Williams
Elliott	Morgan	• Willis
Erickson	Murphy	Wooten
• Forrester	B. Newton	Young
Funderburk	• W. Newton	

• **Committee Chair/PURC Member**

SENATE LETTER



March 15, 2019
 South Carolina State Capitol
 1100 Gervais St
 Columbia, SC 29201

RE: Business support for clean energy access in H. 3659

Dear Members of the Senate Judiciary Committee:

H3659 VOTE RESULTS

House Roll Call Result

PASSED

110-0

Senate Roll Call Result

PASSED

46-0

Key Passages: *Section 58-41-20 (F)*

(2)...The commission is expressly directed to consider the potential benefits of terms with a longer duration to **promote the state's policy of encouraging renewable energy.**

Key Passages: 58-41-20(A)

The commission shall open a **docket** for the purpose of establishing each electrical utility's standard offer, avoided cost methodologies, form contract power purchase agreements, commitment to sell forms, and any other terms or conditions necessary to implement this section.

2019-176-E was opened pursuant to the Act.

Key Passages: Section 58-41-20 (I)

(1)The commission shall engage, for each utility, a qualified **independent third party** to submit a report that includes the third party's **independently derived conclusions** as to that third party's opinion of each utility's **calculation of avoided costs** for purposes of proceedings conducted pursuant to this section.

Key Passages: 58-41-20 (B)

In implementing this chapter, the commission shall treat small power producers on a fair and equal footing with electrical utility-owned resources **by ensuring that:**

- (1) rates for the purchase of energy and capacity fully and accurately reflect the electrical utility's avoided costs;
- (2) power purchase agreements, including **terms and conditions, are commercially reasonable ...**

COMMERCIALLY REASONABLE TERMS

JDA's Perspective on 'Commercially Reasonable':

Commercially reasonable terms are obtained through good faith efforts, by willing participants, to achieve a common business purpose.

Commercially reasonable terms should not include any material, financial or other concession as a prerequisite.

Commercially Reasonable Terms:

Contract Length

WHY CONTRACT LENGTH MATTERS

WHY CONTRACT LENGTH MATTERS

- *Underwriting Avoids Outstanding Balance*
- *Direct Correlation of PPA Length and Loan Duration*



Traditional Residential Mortgage

Principal: \$ 100,000
 Interest Rate: 4.0%
 Term (Years): 30
Annual Payment: \$ 5,729

Term (Years): 10
Annual Payment: \$ 12,149

Term (Years): 5
Annual Payment: \$ 22,100

Multiple of 30yr.
Amortization

2x

4x

Section 58-41-20 (F) (2)...The commission is expressly directed to consider the potential **benefits** of terms with a **longer duration** to promote the **state's policy of encouraging renewable energy**.